

# ACCOUNTING TODAY

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## PhD Project working to diversify the profession

by Glenn Cheney

Accountants have long wondered why their professional sector has remained, so, well, white.

After all, in an industry where job market demands exceed the supply of professionals, just about anybody who can count the beans is welcome to join the firm.

No, it has been more a matter of how few young African-American, Hispanic and Native American students choose to major in accounting or finance and go on to a career in that field. They tended to pursue the social sciences, especially teaching and social work, rather than their universities' accounting and finance departments.

Bernard J. Milano noticed something amiss back in 1993, when he was the partner responsible for KPMG's national recruiting program.

"There we were, a major firm trying to have a more diverse employee base, but when we went to the major accounting programs, it was very frustrating because [no minorities were] there," Milano said. "We realized that for many years, even decades, organizations had been offering undergraduate scholarships and those types of initiatives, but it still wasn't changing anything."

Milano was also a trustee of the KPMG Foundation, which had been promoting various benevolent projects since 1968. It was decided that the foundation should take on a new mission to promote workplace diversity by promoting diversity among university students. Toward that end, the foundation organized and partially funded the PhD Project in 1994.

The directors of the project reasoned that if American universities produced more Ph.Ds of color, business school and accounting departments would end up with more professors of color. Their presence as men-



*Bernard Milano*  
KPMG FOUNDATION

tors and role models, in turn, would encourage more students of color to take up studies in business and accounting and eventually take jobs in the corporate sector.

Some 12 years later, the project has become an independent 501(c)(3) not-for-profit called the PhD Project Association. Milano is its lead administrator, and it can be said that its mission is succeeding. In 1994, out of 26,000 professors in U.S. business schools, only 294 were African-Americans, Hispanics or Native Americans. As of 2006, that number has jumped to 760, a 150 percent increase.

Incredibly, 99 percent of minorities who earned Ph.Ds in these business fields went on to become professors. The average among all Ph.Ds is only 67 percent, the rest going into the corporate, consulting or government sectors.

Milano, who is also now president of the KPMG Foundation, said that today there are 417 minority students in doctoral programs in the United States, and within a few years, most of those can be expected to become

professors.

The PhD Project does not offer scholarships, but the KPMG Foundation is currently providing 49 Ph.D students of accountancy with scholarships of \$10,000 each. The foundation is also the principal supporter of the PhD Project Association, contributing about half of its \$1.8 million annual budget.

KPMG is the only accounting firm that contributes to the project, and Milano said that the contribution isn't made out of self-interest.

"Our philosophy is, we're going to do things that really make a difference," Milano said. "Some might scratch their heads and wonder why we're doing this when the whole profession benefits and we're not diversifying our workforce by hiring these people. Others feel that everything they do should have an immediate benefit to their organization. But our foundation has always had a broader view of why a foundation exists."

Each year, the PhD Project holds an invitational conference for people of color who are considering pursuing Ph.Ds. In many cases, the project pays the cost of bringing invitees to the conference. Of the nearly 1,000 who request invitations, only a few hundred are invited. In 2005, the conference included 360 participants and representatives from 85 universities who present information on their programs. Of the 360, Milano estimates that 60 to 70 will earn Ph.Ds and go on to become professors.

### Creating role models

Dr. Trini Melcher, who was the first Hispanic woman to receive a Ph.D in accounting in the United States, began her doctoral studies in 1972 as a single mother of three children. Today she is a professor at California State University at San Marcos.

Having studied before the PhD Project was initiated, Melcher was unable to benefit from it, but she has been an invited speaker

at its annual conference. "I tell them that there are a lot of opportunities in teaching, and teaching is a wonderful profession," she said. "Prospective Ph.D students should learn more about what the benefits of being an educator are."

Dr. Sandra C. Vera-Muñoz, a native of Puerto Rico who recently received her Ph.D in accounting, is now a KPMG Faculty Fellow at Notre Dame. She has seen an increase in minority students in her classes, and some have naturally adopted her as a mentor and friend.

"I've noticed that Hispanic students self-select into my section," Vera-Muñoz said. "We share the same values, the same culture, the same language. They become self-confident, and I see them thrive in the classroom. They participate. They come to my office, and we talk not just about academics, but about careers and graduate schools. I think they get a better educational experience because they see someone else who is of the same ethnicity as they in the classroom, and it's someone they can relate to and talk to. It's good for them."

One of Dr. Vera-Muñoz's Hispanic students majored in accounting and went on to serve in the Peace Corps in Honduras, where he taught poor families how to handle their finances. When he went on to apply for a job in Chicago, he used Vera-Muñoz as a

reference and got the job.

Craig Sisneros, who worked his way through high school and college, became a controller before receiving his undergraduate degree. He attended a PhD Project conference in 1999 and subsequently started a Ph.D program at Arizona State in 2000 and expects to graduate in May of 2006. He has

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already taught a course, and expects to interview for an assistant professorship in February.


"I would have never thought of getting a Ph.D had it not been for the PhD Project," Sisneros said. "This just wasn't something on my radar screen. I had no minority professors as role models. I thought I was pushing it just to get a BS degree, considering the highest degree earned in my family was an Associate's. I have already been the first Hispanic instructor that my students have seen at a largely Hispanic-serving

institution."

Dr. Nicole Thorne Jenkins, an African-American professor at Washington University at St. Louis, identified an important relationship between professors and students of ethnic minorities. "Students of color have a higher probability of being the first member of their family to ever attend college," she said. "This reality brings with it some anxiety for the student, in that they do not have a family member with whom they can consult to receive guidance with regard to their university experience. Faculty members of color are in the unique position to provide this sort of guidance to students."

The PhD Project has been monitoring the results of its programs by surveying the deans and department heads of business schools, as well as students in courses taught by professors of color. Sixty-nine percent of students who have taken a class taught by a minority business professor said that they are better prepared for a business career for having experienced the diversity.

The percentages are similarly high for related questions. Ninety percent of seniors said that minority professors were positively impacting their career decisions; 92 percent said that minority professors were positively impacting the education of minority students; and 82 percent said that the same applied to non-minority students.



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